

COUNTRY Germany (Russian Zone)

SUBJECT Views of Dr. Wilhelm Schröder

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1. Schröder began by launching an unusually sharp attack on the behavior of the German representatives at the Frankfurt Conference, which he regarded as tantamount to high treason. The procedure adopted by the British and Americans had clearly but one object - to precipitate a clash with the Russians in Germany. Germany and the fate of the Germans was a matter of complete indifference to them; if they now wished to put the western zones on a sounder economic basis, this was only because they needed smooth-running lines of communication for a war with the Soviet Union. Even if war did not come, which he both hoped and believed, western Germany would still become the economic vantage point from which the battle against bolshevism would be launched. Such a policy would in any case only hinder the unification of Germany, for in eastern Germany Socialism was on the march, and Land Reform and the expropriation of factories testified to the complete change that had taken place in the economic sphere, a state of affairs which could not now be revised. The population too was largely in favor of these new socialist measures.
- The SED and the Occupying Power.
2. Schröder was of the opinion that the SED had gained much ground in the provinces during the last few months at the expense of the CDU and the LDP. It was clear that the anti-Marxist parties were on the wane and, though even in the SED everything was not yet perfect, they had now won complete independence from the occupying power. To the suggestion that the SED discussed all important decisions beforehand at Karlshorst, Schröder replied that the conception of international solidarity held by the leaders demanded that such matters should be discussed with the SMA, whose leading officials were likewise Party members. When his friend objected that one could find little trace of such freedom and that the impression was held in the West that their hands were largely tied, Schröder declared that this was only partly true and that there was a parallel in the West, where, for example, the SPD and even the CDU had to act in accordance with British wishes.
3. Schröder believed that the political parties should never be allowed complete independence, but should always serve the interest of the occupying power. The Russians were certainly more crude in their approach.

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which was particularly evident in their police methods, but he rejected vigorously and with some heat the suggestion that arrests were made purely on political grounds, and asked for details of specific cases so that they could be investigated. He declared that the charge was always one of serious offences against the occupying power or of espionage, but did not deny that inquiries into economic development and the administration of public economy were regarded as espionage. The workers must, however, be allowed to build up their state unhindered and they would brook no underhand opposition to their rights. The large property-owners had been swept away, and any propaganda for the revival of the old order was treason and must be punished as such.

The Soviet AGs.

4. On the question of the expropriated factories, Schröder denied that they had become Soviet property to any marked degree. The Russians had taken over a few factories, but only to ensure the flow of reparations, and he had reason to believe that this requisitioning was only temporary. Schröder brushed aside the suggestion that, although most properties were registered at the Chamber of Commerce as cooperative institutions of various kinds, they were in fact entered in the property register as belonging to the Soviet Union, and said that the Russians had adopted one or two such temporary measures in the early days, but that this had changed when the situation became more stable.

5. When asked whether this meant that the Länder were now to be bound more closely and visibly to the Soviet economic system, Schröder replied that events must be left to take their course. If events in the West continued as at present, it was only to be expected that the Eastern Zone-Länder would turn elsewhere for trade connections. His attention being drawn vigorously to the fact that this would lead to a final splitting of Germany into two camps, Schröder replied that this was merely the result of the policy adopted by the Western Powers.

The Setting-up of a Government for the Eastern Zone.

6. According to Schröder no government was being planned for the Eastern Zone. The existing Central Administrations were not a government, although the presidents met from time to time to consult each other on the handling of the administration. There was no question of this developing into a Council of Ministers or forming the foundations for a government. In addition, the Central Administrations had no powers over the Länder, although Schröder admitted that, at the conferences which are frequently held between the presidents of the Central Administrations and those Ministers of the Länder whose departments they serve, the former exercise an over-riding influence. Thus something approaching central direction has been achieved, although it could in no way be described as a zonal ministry.
7. It was probable that in the near future, as a result of events in Frankfurt, these presidential conferences would exercise a stronger influence than before over the Länder ministers. This could be achieved without any decree from the Russians, merely as a result of more frequent meetings and more exact directives which would be binding on the ministers. When it was pointed out to Schröder that the commanding position of the SED would make it virtually impossible to oppose the wishes of the presidents of the Central Administrations, he declared

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complacently that even ministers who belonged to other parties voluntarily bowed to the wishes of the presidents, since it was a pleasant thing to have a ministerial post; in any case not all the presidents were SED members, so one could hardly speak of an SED dictatorship.

Formation of a new Middle-Class Party.

8. Schröder did not believe that a fusion of the middle-class parties would take place. The LDP remained a strong unit in the zone and the Berlin opposition would last only as long as the SPD in Berlin stirred up discontent in the former party. The SPD were the chief danger, since they had let themselves be harnessed to the western band-wagon.
9. Schröder thought that the role of von Einsiedel had been much overestimated: the young man had behaved very imprudently and no one paid any attention to him any more. On the question of forming a new party out of elements of the National Komitee Freies Deutschland, Schröder thought this too was unlikely; the generals had other tasks and, while perhaps some members of their circle would return to Germany, as some already had done, to become useful members of the administration, no coordinated campaign was being planned.

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